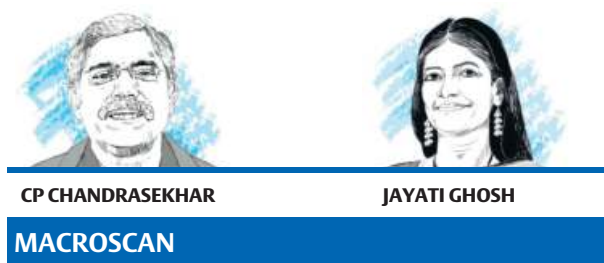


# Is public employment moving in the right direction?

Labour force surveys show an increase in public employment. However, this increase is unlikely to have taken place among formal jobs, which promise decent working conditions



CP CHANDRASEKHAR JAYATI GHOSH  
MACROSCAN

In a previous edition of Macroscan (see BusinessLine, July 30) we considered trends in Central government employment, and showed how the number of people employed by the Central government stagnated between 2006 and 2014 while the number employed by Central public sector enterprises declined. Furthermore, the number

of vacancies in public employment increased sharply over this period, amounting to more than one-fifth of the number employed. However, the labour force surveys provide a slightly different picture. These surveys capture all forms of employment at all levels of government (Central, State, local bodies as well as public enterprises), including not just those

that the government officially recognises as employees but also all scheme workers who self-describe as working for the government even when the official registers do not include them and they do not receive many of the benefits normally accrued to public employees.

For example, the labour force surveys include "voluntary" workers such as Anganwadi workers and helpers and ASHAs who do not receive even minimum wages for their work, but nonetheless see themselves as being regularly employed by the government.

**Employment pattern**  
As a result, the evidence from the labour force surveys shows that public em-

ployment actually increased in the period between 2011-12 and 2017-18 (In what follows, the shares of workers derived from the labour force surveys have been applied on population estimates for the relevant years, to get absolute changes in employment).

Total public employment went up by nearly 200 lakh workers, which is definitely a significant increase (Chart 1). This was distributed among both rural and urban areas, with the bigger increase in rural areas.

Of course, this means that the corresponding drop in private employment must have been even greater — which should be a source of great macro-economic concern — but

that is a separate story. Let us consider the pattern of the public employment generated over the period.

Charts 2a and b suggest that the bulk of the increase was in regular salaried employment. Indeed, casual employment in public works like the MNREGA actually appears to have fallen over this period. At first glance, this must surely appear to be a welcome development. After all, regular public employment is seen across Indian society as something to be desired, for its security and often higher-than-market wages for many functions.

But this is where the description of regular employment may mislead, because the definition used by the NSSO surveys includes all those who see this as their regular occupation and receive some kind of monthly remuneration, even if it is not officially recognised as employment by the employer — the government.

Scheme workers, for example, are not recognised as public employees by the government and are paid "honoraria" rather than wages — because most of



**No benefits** Government scheme workers are paid "honoraria" and don't get the usual perks (file photo)

them, in fact, receive wages well below the minimum pay. They also do not receive any of the usual benefits associated with government employment such as security of tenure, social security and so on. Often they do not even have proper written contracts.

**Gendered view**  
Indeed, as Chart 3 shows, most of the increase in reg-

ular public employment has been of women, in both rural and urban areas. Yet they are the ones who are more likely to be employed in these schemes, and are paid well below minimum wages with very poor working conditions.

Chart 4, which disaggregates public workers according to education level, underlines this point. In rural areas, around 45 per cent of regular women workers in public employment are either illiterate or have only basic education, suggesting that they must indeed be scheme workers.

By contrast, in urban areas — where fewer of such schemes are prevalent — women public workers are more likely to have obtained higher levels of education.

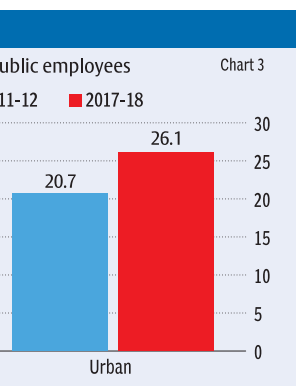
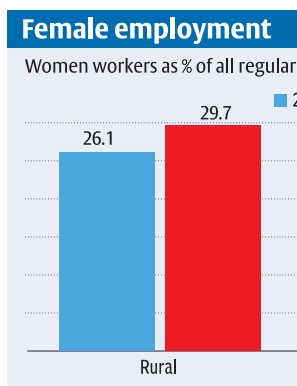
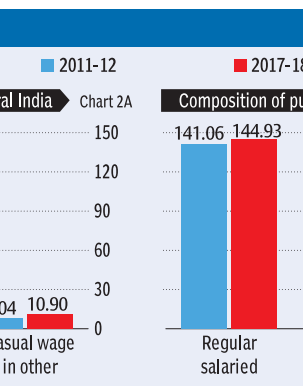
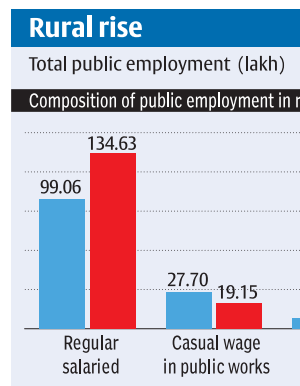
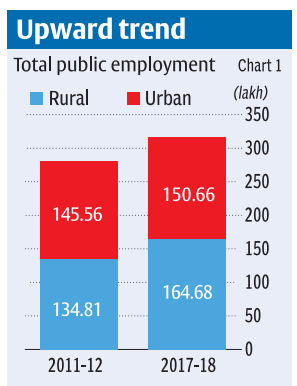
The gender wage gap in public employment further emphasises this point (Table 1). The average wage received by women regular

public workers in rural areas is only around half of that received by men — a shockingly large wage gap. Indeed, it is striking that the gender wage gap is much lower in public works, pointing to the role of the MNREGA in reducing such gaps.

However, even here, a sizeable gap exists, although not as extreme as that for regular public employment.

This suggests that the increase in public employment over this period need not really reflect a genuine expansion of good quality public services through the expansion of decent work by the government.

Rather, it points to a continuation and intensification of a terrible failing of official policy in the past two decades: the attempt to provide essential social services on the cheap by exploiting the underpaid labour of women.



**Wide gap**

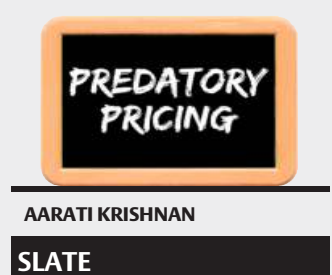
Average daily wages in public employment in 2017-18 (₹)

Category	Rural	Urban
<b>Regular employment</b>		
Male	763.5	1,003
Female	388.5	881.7
Female as % of male	50.9	87.9
<b>Casual employment in public works</b>		
Male	140.2	203.2
Female	107.7	142.6
Female as % of male	76.8	70.2
<b>Other casual employment</b>		
Male	217.6	250.7
Female	102.4	157.6
Female as % of male	47.1	62.9

## 5 THINGS to WATCH OUT for TODAY

- The Congress** is likely to hold mass agitation in all districts of the country till November 15 against rising unemployment, the sinking economy and farm distress; with a national rally planned in Delhi. Former Congress president Rahul Gandhi will skip the 10-day protests as he is abroad on a meditational trip.
- Prime Minister** Narendra Modi will inaugurate the Fifth India International Science Festival at Biswa Bangla Convention Centre in Kolkata through video conference. Minister for Science and Technology, Earth Sciences; and Health and Family Welfare Harsh Vardhan and several other Cabinet Ministers will be part of the four-day event.
- Apollo Tyres**, Berger Paints India, Cholamandalam Investment And Finance Company, Dabur India, Gillette India, Godrej Properties, Jindal Steel & Power, NCC, Panasonic Energy India Company, Procter & Gamble Hygiene & Health Care, Punjab National Bank, Redington (India) are scheduled to declare their financial results for the September quarter.
- Toyota** is likely to unveil its sub-4m SUV Raize for international markets. Powered by a 1.0-litre petrol engine, the car is based on the Daihatsu Rocky, which was unveiled at the Tokyo Motor Show recently.
- Xiaomi** will launch its Mi CC9 Pro, Mi TV5 and Mi watch at an event in China. The Mi watch will be the first smartwatch launched under the brand. The Mi CC9 Pro smartphone comes with a penta-lens setup, while the Mi TV5 features a 4K display.

## All you wanted to know about...



AARATI KRISHNAN  
SLATE

News reports that e-commerce majors such as Amazon and Flipkart have sold goods worth ₹19,000 crore in their festival discount sales seem to be causing some heart-burn in India's traditional retail industry. The Confederation of All India Traders (CAIT), a trade body representing brick-and-mortar retailers, has been urging the Commerce and Finance Ministers to launch a probe into the deep discounting practices of e-commerce players for 'predatory pricing'. But why would the discounts be anti-competition? The competition regulator will have final say on this.

**What is it?**  
Ever come across a product or service where a large player offers you a throwaway price to reel you

in, only to jack up prices later? That's predatory pricing for you. Predatory pricing is a strategy whereby a Goliath in an industry with deep pockets prices its goods or services at rock-bottom levels, so that no rivals can compete with it. Once everyone else runs up huge losses and is forced out of the business, the Goliath makes hay by withdrawing the freebies and fleecing consumers.

In India, the Competition Act of 2002 lays down the ground-rules on what constitutes predatory pricing. 'Predatory pricing' figures in the section on abuse of dominant position by a market player. It expressly forbids any enterprise or group from 'abusing its dominant position' in the market, either by imposing unfair conditions or an unfair and discriminatory price — including predatory price — resulting in denial of market access.

Predatory price is specifically defined as sale or goods or services at a price below the cost of production, with a view to reduce or eliminate competition.

**Why is it important?**  
If the CAIT really believes that e-commerce players are indulging

in 'predatory pricing', it should be knocking on the doors of the Competition Commission of India with its complaints on e-commerce discounts, and not the Finance or Commerce Ministry. Should the complaint be taken up by the CCI, one can expect it to seek further numbers from the e-commerce players on the pricing and cost of goods sold on their platforms during festival sales, to gauge if there is indeed predatory pricing.

But even the CCI may not have easy time pinning down India's e-tailers for predatory pricing. One, despite the big splash they make, e-commerce players in India are still bit players in the humongous retail industry, which consists of thousands of mom-and-pop stores, super markets, hyper markets et al.

In value terms, online sales still make up less than 5 per cent of the total retail sales in India. It may therefore be hard to accuse them of 'abusing their dominant position' though they have deep pockets.

Two, for a case of predatory pricing to stick, the CCI will have to establish that e-commerce plat-

forms are actually selling products below their costs of production. This can be tricky, especially as sellers on these platforms aren't complaining.

In fact, predatory pricing is a much-debated facet of anti-competition law globally, because these laws are essentially meant to protect consumer interests. Discounts, however predatory, do initially benefit consumers. They turn anti-consumer only when the firm offering them withdraws them and begins misusing its monopoly position to fleece customers.

**Why should I care?**  
If you're a shopaholic, you'll need to keep watch on whether these allegations fizzle out or are taken up by the CCI.

That will decide whether you get to enjoy the next 'Big Billion' sale.

**The bottomline**  
Are e-commerce discounts bad for you? You'll have to wait and watch to decide.

*A weekly column that puts fun into learning*

## BusinessLine TWENTY YEARS AGO TODAY

NOVEMBER 5, 1999

### Cabinet clears IT Bill

The Union Cabinet today approved the introduction of the Information Technology Bill, 1999, aimed at facilitating electronic communication, trade and commerce, and prevention of cyber crimes, during the winter session of Parliament. The IT Bill 1999 provides for a legal framework so that information is not denied legal effect, validity or enforceability, solely on the ground that it is in the form of electronic records.

### Buybacks: No exemption from sectoral caps

Companies with significant foreign equity holding that opt for share buyback will not be exempted from adhering to the existing foreign equity sectoral caps specified for the industries concerned, Government officials have said. In the event of the sectoral cap being breached on account of non-participation in the buyback programme by the foreign equity holder, the promoter and the foreign partner will have to undertake a 'proportionate buyback' exercise to remain within the sectoral cap limits.

### Phone users hit out at TRAI

Telephone users today assailed the Telecom Regulatory Authority of India (TRAI) for ignoring their views while deciding on tariffs for cellular mobile services and fixed line telephony. At an open house discussion on the tariffs for MTNL's CDMA based mobile telephony, representatives of the Delhi Based Forum (DSF) complained that their views had been totally ignored while drafting the consultation paper, as well as in Thursday's discussion paper. "Who is this consultation meant for? Is it for the service providers — both private, DoT and MTNL — who comprise 95 per cent of the people present here," they asked.

### EASY

#### ACROSS

- Interval in music (8)
- Take hold of (4)
- Small point (3)
- Wireless (5)
- Promise (3)
- Raises the spirits of (7)
- Norwegian (5)
- One to conduct head-to-head talk (11)
- Piece for eight players (5)
- Not public (7)
- Night-bird (3)
- Standing in rivalry with (5)
- Employ (3)
- Simplicity (4)
- Takes to the door (8)

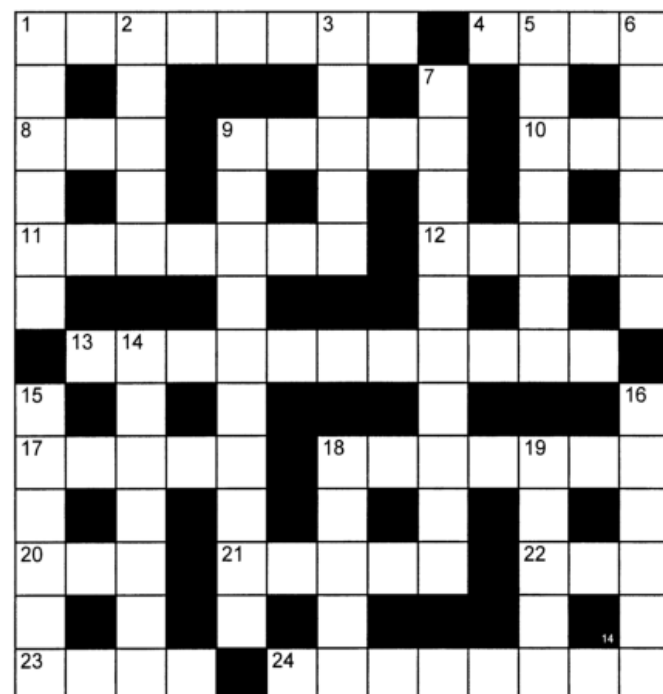
#### DOWN

- Bluish-white alkaline metal (6)
- Put-up place for drivers (5)
- Unclothed figures (5)
- Move backwards (7)
- Type of hat (6)
- Answering argument (10)
- Thoughtful (10)
- Stinging plants (7)
- Gloomy (6)
- Niche (6)
- Prepare, charge pump (5)
- Type of French accent (5)

### SOLUTION: BL Two-way Crossword 1478

- ACROSS** 01. Frog-march 05. Bow 07. Noes 08. Off and on 10. Abnegate 11. Pith 13. Etched 15. Plague 18. Ails 19. Delegate 22. Printing 23. Coda 24. Car 25. Milk teeth
- DOWN** 01. Fanfare 02. Ocean 03. Refute 04. Head 05. Budding 06. Winch 09. Agree 12. Sleek 14. Collier 16. Eyewash 17. Kernel 18. Aspice 20. Awoke 21. Stem

### BL TWO-WAY CROSSWORD 1479



### NOT SO EASY

#### ACROSS

- Interval used to time one's shuffle (8)
- Lay hands on a change of clothing (4)
- Marriage portion represented as 'e' in Morse code (3)
- Signal one made in changing road (5)
- Binding undertaking given for nothing in German car (3)
- Raises a plus, fit for adaptation (7)
- Norwegian offers neither alternative to the Southeast (5)
- Broadcaster may bury one watching TV (11)
- Piece of music suited to a boat's crew? (5)
- The ordinary soldier will keep himself to himself (7)
- Solemn person will make light of the dusk (3)
- Rivalling one in envy, in general (5)
- Habit one can take advantage of (3)
- Slacken off, as in letters it sounds like (4)
- How an actor speaks when midwife assists mother (8)

#### DOWN

- The base of soda is mud maybe with nothing in it (6)
- Accommodation for motorists switching to lunar excursion module (5)
- Pictures of those not suited to being painted (5)
- Drive back Irish revolution first (7)
- Man who 24 a hat (6)
- Contradicting King George, continue to change it (10)
- Being meditative, behave like Mirror I've followed (10)
- They sting one that lets ten go free (7)
- Is glum about alternative, in some confusion (6)
- Is concerned with tax when MPs are not in session (6)
- Sort of number to lay a train to (5)
- It's not chronic, the accent they use in France (5)